



FRED WILLIAMSON & ASSOCIATES, INC.
Telecommunications Management Services

VIA ECFS

June 28, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of Secretary
445 12th Street, S. W.
Washington, D.C. 20554

RE: Submission of information Pursuant to FCC 54.313 Rules and Request for Confidential Treatment – Connect America Fund, WC Docket No. 10-90; Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Lavaca Telephone Company, Inc. d/b/a Pinnacle Communications (“Pinnacle”), Oklahoma, Study Area Code 431704, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket Nos. 10-90 and 11-42. Pinnacle, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan identified on Form 100, Line 112 and (2) the financial annual report identified on Form 3005, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan is being made pursuant to section 0.459 of the Commission’s rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC’s November 16, 2012 Protective Order in WC Docket No. 10-90 et al. These attachments contain competitively sensitive data that Pinnacle maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

Pinnacle is also transmitting the following information to the Commission in compliance with C.F.R. §§54.313 and 54.422:

- Submission to the Office of the Secretary, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection. Confidential information has been designated in accordance with Confidentiality guidelines and the Protective Order.
- Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing.
- Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481. Pinnacle requests that the information contained in its five-year service quality improvement plan be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company keeps confidential. Public availability of this information would have a substantial negative impact on the Company. Pinnacle offers the following information pursuant to section 0.459 of the Commission's rules and Exemption 4 of FOIA in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan. Specifically, confidential treatment is sought for all information in the five-year plan related to the Company's future network plans and information concerning future services provided to customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket Nos. 10-90 and 11-42 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a five-year service quality improvement plan, pursuant to 47 C.F.R. §§54.202(a)(1)(ii) and 54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan contains information on the Company's future plans, number of customers served and other planning information that company does not make publicly available.

(4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more Internet service providers.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan would provide competitors with detailed, granular information regarding the Company's strategic plans. This would provide competitors access to confidential information they could employ to develop their own plans a particular service area. This could cause competitive harm to the Company.

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated information regarding its network and service plans as confidential and carefully controls the information to protect it from competitors.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan is not available to the public, and third party access is limited as described in (6) above.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The five year planning period information would provide valuable information to competitors for several years beyond that period.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Please contact me if you have any questions.

Sincerely,



Tim Morrissey
President
314-605-9220
tmorrissey@fwainc.com

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of confidential submission)

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

Redacted For Public Inspection

 FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	431704
<015> Study Area Name	LAVACA TEL CO-OK
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	JOHN ZEILER
<035> Contact Telephone Number: Number of the person identified in data line <030>	4796742104 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	johnz@pinncm.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
(check box when complete)			
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 5px;">431704OK510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 5px;">431704OK610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 5px;">431704OK1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	JOHN ZEILLER 4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com
<110>	Has your company received its ETC certification from the FCC?	<input type="radio"/> (yes / no) <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input type="radio"/> (yes / no) <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	<input type="checkbox"/>
<114>	Report how much universal service (USF) support was received	<input type="checkbox"/>
<115>	How (USF) was used to improve service quality	<input type="checkbox"/>
<116>	How (USF) was used to improve service coverage	<input type="checkbox"/>
<117>	How (USF) was used to improve service capacity	<input type="checkbox"/>
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<input type="checkbox"/>

[illegible]

(900) Tribal Lands Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnze@pinncm.com

<910>	Tribal Land(s) on which ETC Serves	CHOCTAW TRIBE - FORMER TRIBAL LANDS
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<920>	Tribal Government Engagement Obligation	431704OK920.pdf
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Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	Select (Yes, No, NA)
<922>	Feasibility and sustainability planning;	NA
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	NA
<925>	Compliance with Land Use permitting requirements	NA
<926>	Compliance with Facilities Siting rules	NA
<927>	Compliance with Environmental Review processes	NA
<928>	Compliance with Cultural Preservation review processes	NA
<929>	Compliance with Tribal Business and Licensing requirements.	NA

(1100) No Terrestrial Backhaul Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com

☐

Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

<1120>

☐

Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

<1130>

(1200) Terms and Condition for Lifeline Customers		FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Collection Form		July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinm.com.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	431704OK1210.pdf	Name of Attached Document
<1220>	Link to Public Website	HTTP	

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>		July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@tinnicom.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting (47 CFR § 54.313(e))		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	

Name of Attached Document Listing Required Information

<2021>	Interim Progress Community Anchor Institutions
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Redacted For Public Inspection

(3000) Rate Of Return Carrier Additional Documentation	
Data Collection Form	
FCC Form 481	
OMB Control No. 3060-0986/OMB Control No. 3060-0819	
July 2013	

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZETTLER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johanz@pinncom.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)	Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(ii))	<div></div> <div>Name of Attached Document Listing Required Information</div>
(3011)	Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<div></div>
(3012)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))	<div></div> <div>Name of Attached Document Listing Required Information</div>
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	<div></div>
(3014)	If yes, does your company file the RUS annual report	<div></div>
Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<div></div>
(3016)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<div></div>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	<div></div> <div>Name of Attached Document Listing Required Information (Yes/No)</div>
(3018)	If the response is no on line 3014, Is your company audited?	<div></div>
(3019)	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications	<div></div> <div></div>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<div></div>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit.	<div></div>
(3022)	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,	<div></div> <div></div>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<div></div>
(3024)	Underlying information subjected to an officer certification.	<div></div>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<div></div> <div>431704OK3026_Confidential.pdf</div>
(3026)	Attach the worksheet listing required information	<div></div> <div>Name of Attached Document Listing Required Information</div>

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	431704
<015> Study Area Name	LAVACA TEL CO-OK
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035> Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Tom Karalis</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Tom Karalis
Name of Reporting Carrier:	LAVACA TEL CO-OK
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/25/2014
Printed name of Authorized Officer:	Michael Gibson
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	4796742211 ext.
Study Area Code of Reporting Carrier:	431704 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	LAVACA TEL CO-OK
Name of Authorized Agent or Employee of Agent:	TOM KARALIS
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/25/2014
Printed name of Authorized Agent or Employee of Agent:	TOM KARALIS
Title or position of Authorized Agent or Employee of Agent:	CONSULTANT
Telephone number of Authorized Agent or Employee of Agent:	9182981618 ext.
Study Area Code of Reporting Carrier:	431704 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Redacted For Public Inspection

Attachments

**(700) Price Offerings including Voice Rate Data
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZETLER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pincon.com

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	14.15

<703>

[illegible]

**(710) Broadband Price Offerings
Data Collection Form**

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACN TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZETLER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnzetlin@nccm.com

[illegible]

(800) Operating Companies
Data Collection Form
FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <03>	4796742104 ext.
<039>	Contact Email Address - Email Address of person identified in data line <03>	johnze@pincom.com
<810>	Reporting Carrier	LAVACA TELEPHONE COMPANY d.b.a. PINNACLE COMMUNICATIONS - OKLAHOMA
<811>	Holding Company	N/A
<812>	Operating Company	N/A

[illegible]

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LAVACA TELEPHONE COMPANY, INC.
FIVE-YEAR QUALITY IMPROVEMENT PLAN
(USAC DOCUMENT - 431704OK112.PDF)

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Title 47 §54.202(a)(1)(ii)
Five-Year Plan
Due: July 1, 2014

Company Name: Lavaca Telephone Company – Oklahoma
Company Headquarters: Lavaca, AR

Narrative



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LAVACA TELEPHONE COMPANY, INC.
QUALITY OF SERVICE AND CUSTOMER PROTECTION PROCESS
(USAC DOCUMENT - 431704OK510.PDF)

Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications

QUALITY OF SERVICE & CUSTOMER PROTECTION PROCESSES

1. **Available Customer Service Representatives to Answer Phones** – 95% of all calls received by Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications during business hours are answered by the third ring. When the assigned customer representatives are unable to answer calls by the third ring, calls are answered by our voice mail system and calls are returned to customers within the hour.
2. **Provide After Hours Emergency Customer Service** – Calls are answered within 60 seconds by our voice mail system. Calls are reviewed the following day by personnel. Customer service representatives have been given a list of questions by Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications to ask to assist them in resolving many issues. Unresolved issues are worked that day. Issues requiring immediate attention are sent to the Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications service technician on call, who works to resolve the matter as quickly as possible. If that technician is unable to resolve the problem, additional technicians are called. After-hours customer service is also available.
3. **Provide a 24/7 Hour Internet Help Desk Service** – All calls are answered within 60 seconds. Managers are available as necessary to review and address any issues.
4. **Give Customers Cut-off Warnings & Provide Bill Arrangement Opportunities** - Customers are given nearly two months of missed payments before being cut off. Notification of the payment due date and the cut-off date are prominently displayed on bills as well as of the opportunity to make payment arrangements to avoid being cut-off. A customer service representative will attempt to call a customer in danger of losing service to remind them of the late payment. Account balance reports are printed monthly internally using the company's billing system.
5. **Ensure That All New Service Installation Orders Are Fulfilled Promptly** – All customers are contacted within 48 hours regarding scheduling the new service installation. If outside plant is already in place, fill the order at the customers' earliest convenience; if outside plant is not in place, fill the order as soon as the weather permits.
6. **Minimize Customer Downtime for Services & Make Requested Changes Promptly** – Contact customers regarding all service requests the same day, with a goal of resolving all issues within 48 hours. Any unresolved issues will be resolved contingent on the technician/customer coordination of access to the premises.
7. **Proactively Monitoring in Case of Major Service Outages** – Service technicians will be made aware of outages affecting customers within an hour. It is the goal of Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications to resolve major outages in four hours or less. If an outage has not been resolved within four hours, technicians will begin utilizing all resources, both from within and from without.

CUSTOMER PRIVACY

Company Confidential Information Policy – Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has a company policy in place that holds employees accountable for a breach of confidentiality concerning customer data and company information. The policy states: “You are reminded that revealing any type of confidential information to unauthorized persons or tampering with or altering company records and/or property is a violation of trust that can result in disciplinary action up to and including discharge.”

Company CPNI Policy – Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications also has a Customer Proprietary Network Information (CPNI) policy in place that ensures employee compliance with the FCC’s CPNI guidelines. Outlined within the policy is a detailed description of CPNI as well as both acceptable and unacceptable CPNI practices. Employees are required to sign waivers stating they understand and agree to comply with the policy and acknowledge that “failure to protect this information may result in disciplinary action up to and including discharge for the responsible employee.” As a part of this policy, Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has designated a Compliance Officer responsible for assuring training of employees, monitoring CPNI related activities, and reporting breaches.

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LAVACA TELEPHONE COMPANY, INC.

EMERGENCY SITUATION FUNCTIONALITY – AVAILABILITY OF BACK UP POWER

(USAC DOCUMENT - 431704OK610.PDF)

LAVACA TELEPHONE COMPANY, INC. d.b.a. PINNACLE COMMUNICATIONS
EMERGENCY SITUATION FUNCTIONALITY
AVAILABILITY OF BACK-UP POWER

Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has one central office switch and one remote location within its service area. Each of these locations is equipped with a back-up battery supply as well as a generator capable of providing power to the equipment within that office in the event of an external power source outage. After a power outage, generators are inspected and are also professionally serviced bi-annually to ensure functionality.

In addition, Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has installed back-up batteries on the customer premise equipment. Spare batteries are kept at Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communication's main office for replacement of batteries at customer homes in the event of a prolonged power outage.

TRAFFIC ROUTING

Voice traffic between the central office switch and remote is carried across fiber. Voice traffic between the central office switch and the upstream tandem is also provisioned across fiber.

MANAGING TRAFFIC SPIKES

Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communication's careful capacity planning has put multiple constraints and triggers in place on its Central Office equipment, outside plant equipment, and network backbone that will provide the company with the capability of handling traffic spikes during emergency situations.

Usage rates are analyzed monthly internally by Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications using reports automatically generated by the switch to ensure that usage does not exceed 90% of total line capacity.

Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications will monitor traffic internally on a monthly basis to ensure optimal efficiency.

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LAVACA TELEPHONE COMPANY, INC.
TRIBAL LANDS REPORTING
(USAC DOCUMENT - 431704OK920.PDF)

Tribal contact record					
Method of contact	Date	Audience	Tribes	Purpose/discussion	Next step
2013 Efforts					
Email - Chief Pyle, c/o D Stark	10/14/2013	Dustin Stark	Choctaw	Re-introduction and request for meeting	call/email to followup
email from Dustin Stark	10/14/2013	Dustin Stark	Choctaw	open to meeting week of 10/21, suggesting tha tower phone would be easiest	follow up email
email to D. Stark	10/14/2013	Dustin Stark	Choctaw	Set up meeting for 2:00 on 10/23	Dustin to Call
phone call	10/23/2013	Dustin Stark 580-624-8280 X 2510	Choctaw	Briefly reviewed our past phone meet of last year, our service to the Choctaw tribe members in the Panama and Shady Point area, and our desire to discuss their needs while meeting FCC requirements. I reviewed the fact that we do not serve on tribal lands, therefore much of hte ROW, permitting, feasibility do not apply, however we offered to either discuss future needs should they occur withoin our territory or aid in helping them find a best resource in the territory they are seeking services. They agreed that they had no current needs in our territory and also agreed to accept our Lifeline/linkup info for redistribution in their tribal offices, clinics, etc., for members that may reside in our territory. They also indicated that they would attempt to post it to their web site for simiar support services. Offered to aid us in any way to meet FCC requirements.	email lifeline/linkup details for the year
					to Dustin

John Zeiler

From: John Zeiler [johnz@pinncom.com]
Sent: Monday, October 14, 2013 5:02 PM
To: 'Dustin Stark'
Subject: FW: Scanned document from Pinnacle Communications
Attachments: img-131014161753-0001.pdf

Dustin,

I hope all is going well with you. I would like to visit with you to see if the tribe has any particular needs and to see if we might briefly discuss our lifeline services available for members in our serving territory, even if over the phone. Please see the attached regarding our service.

Thanks,
John

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October 10, 2013

Choctaw Chief Gregory Pyle
c/o Dustin Stark
Choctaw Nation of Oklahoma
P.O. Box 1210
Durant, OK 74702-1210

Dear Chief Pyle and Mr. Stark;

Thanks again for taking time to visit with me briefly last year regarding the services we offer in Oklahoma in the Panama and Shady Point areas. I just wanted to follow up with you to see if we might again briefly visit to confirm that we are meeting the communications needs of the Choctaw tribe. Pinnacle Communications, Inc. is a rural independent telephone company providing service to approximately 1,000 customers in Eastern Oklahoma. This includes lands which are in the Choctaw Nation. Pinnacle offers landline phone service, Broadband internet (up to 50M), long distance services and DirecTV as well as opportunities to bundle these services together.

Pinnacle currently provides service to several local community anchor institutions. This partnership allows the institutions the ability to have connectivity worldwide and to offer services to the community at each location. Pinnacle believes that anchor institutions such as community centers, fire stations and city halls are an integral part of the community and provide countless benefits and gathering places to area residents. Pinnacle has the ability to provide service upon reasonable request to anyone in its service area including Tribal community anchor institutions.

Pinnacle is currently fully fiber deployed. Through various partnerships and its position in both Arkansas and Oklahoma, Pinnacle has the ability to offer ever increasing internet speeds at competitive prices. These speeds allow customers to have access to services such as video streaming, telemedicine, offsite workplaces and remote study opportunities for education. Such services allow for the growth of connectivity in a rural landscape enabling those customers the ability to be ever more connected to the retail environments of urban areas.

Pinnacle also provides Lifeline/Link-Up service in its study areas to customers that qualify under state and federal guidelines. Those qualifying for Lifeline and residing on federally recognized Tribal Lands also qualify for Link-Up. Link-up may be used for activating new phone service or activating existing service in a new location. Pinnacle also offers toll limitation service which helps households save money

PINNACLE COMMUNICATIONS

P.O. BOX 230 • LAVACA, AR 72941 • PHONE: 479-674-2211 • FAX: 479-674-5810

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by blocking toll calls from being made, thus preventing costly long distance bills. We appreciate that the tribe was willing to place our lifeline information at their tribal benefit offices last year and we would appreciate it if we could work with the tribe to place the new forms at your offices this year as well.

I would like to meet briefly with you or your designated tribal decision maker regarding the needs of the Choctaw Nations and its tribal members so that we might best serve you. Please contact me so that we might set up a convenient meeting time before year end. I may be reached at 479-674-2104 or by email at johnz@pinnaclecom.com.

Sincerely,

A handwritten signature in black ink that reads "John Zeiler". The signature is written in a cursive, flowing style.

John Zeiler

General Manager, Pinnacle Communications

John Zeiler

From: John Zeiler [johnz@pinncorn.com]
Sent: Friday, October 25, 2013 4:54 PM
To: 'Dustin Stark'
Subject: Pinnacle's Lifeline and linkup info
Attachments: Revised Lifeline Form for NEW Customers 2013.docx; 2013 Federal Poverty Guideline Certification Form.docx

Dustin,

If you could have this distributed to the various tribal offices, especially tribal benefit program and health offices that would be helpful. We like your idea about adding our info to your webpage for tribal benefits and if there is anything you need from us beyond these forms please let me know.

Thanks again,
John

**FOR OFFICE USE ONLY
DO NOT WRITE IN
THIS AREA**

PINNACLE COMMUNICATIONS
LIFELINE/LINK UP AMERICA ON TRIBAL LANDS PROGRAM
AUTHORIZATION AND SELF CERTIFICATION FORM

Tel No: _____
Acct No: _____
Last Name: _____

Install Date: _____
Link-Up: Yes / No

You are required to complete and sign this certification form in order to enroll you in Pinnacle Communications' Tribal Lifeline and/or "Expanded" Link Up programs. Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline service is a non-transferable benefit, and a Lifeline subscriber is prohibited from transferring the Lifeline service to another, including another person eligible for Lifeline service. This authorization and certification is only for the purpose of verifying your participation in these programs and will not be used for any other purpose.
All shaded areas must be completed!!!

A. YOU MUST MEET PROGRAM PARTICIPATION REQUIREMENTS OR HOUSEHOLD INCOME REQUIREMENTS

I hereby certify that I participate in at least one of the following programs **("v" ALL THAT APPLY)** OR my household income is at or less than 135% of the federal poverty level:

- ____(S) Supplemental Nutrition Assistance Program (SNAP a/k/a Food Stamps)
- ____(S) Temporary Assistance for Needy Families (TANF)
- ____(S) Supplemental Security Income (SSI)
- ____(S) Medical Assistance (Medicaid/Sooner Care)
- ____(S) Vocational Rehabilitation (including aid to the hearing impaired)
- ____(S) Oklahoma Sales Tax Relief
- ____(S) Federal Public Housing
- ____(S) Low Income Energy Assistance Program
- ____(S) Food Distribution Program on Indian Reservations ("FDPIR")
- ____(F) National School Lunch Program (only applicant or customer who satisfy the income standard of the program for **free meals**)
- ____(F) Bureau of Indian Affairs General Assistance
- ____(F) Temporary Assistance for Needy Families (TANF) Tribally-administered block grant programs
- ____(F) Head Start Programs (only applicant or customer who satisfy the income qualifying eligibility provision)
- ____(F) My income is at or less than 135% of the federal poverty level. There is/are _____ individual(s) in my household. (Customer has provided sufficient proof if income as set forth in 47 C.F.R. §54.400(f).) [Attach Federal Poverty Guideline Certification Form]

B. YOU MUST READ AND INITIAL ALL STATEMENTS BELOW TO ACKNOWLEDGE YOU UNDERSTAND YOUR OBLIGATIONS

- ____ I certify that my residential telephone service address listed on the front of this form is my **permanent/temporary (circle one)** residential service address, and to the best of my knowledge this residential service address is located on former tribal land/reservation (as defined in title 25- Code of Federal Regulation, section 20.1, paragraph (v)).
- ____ I certify that if the residential telephone service address listed on the front of this form is a temporary one, upon request by the Company approximately every 90 days, I will recertify that I still live at that address. I understand that if I do not respond to the Company's verification request within 30 days I may be de-enrolled and will lose my benefits under the Lifeline program.
- ____ I certify that if in the future, I no longer live at the residential telephone service address listed on the front of this form, I will notify the Company within 30 days after moving.
- ____ I certify that I will notify the Company within 30 days if:
 - 1) I no longer participate in at least one of the programs listed on the front of this form; or
 - 2) if I am receiving more than one Lifeline-supported service; or
 - 3) if I for any reason no longer satisfy the criteria for receiving Lifeline support.
- ____ I certify that the telephone service which I am requesting receipt of Lifeline and/or Linkup programs for is listed in my name.
- ____ I certify that I have provided documentation of eligibility, if required to do so and that such documentation was returned to me.

_____ I certify that my household will receive only one Lifeline service and, to the best of my knowledge, my household is not already receiving a Lifeline service. My household is defined as any individual or group of individuals who live together at the same address and share income and expenses.

Do you live at an address at which there are multiple households (for example, a nursing home or group home)?

_____ Yes (*If yes, you must complete a supplemental form to determine your eligibility.*)
 _____ No

_____ I certify that I understand that Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.

_____ I certify that I understand that Lifeline service is a non-transferable benefit, and a Lifeline subscriber is prohibited from transferring the Lifeline service to another, including another person eligible for Lifeline service.

_____ I authorize my provider to transmit to the authorized Governmental entity or its designee handling the Lifeline Accountability Database my full name, my full residential address, my date of birth, and the last four digits of my Social Security Number, the telephone number to be associated with Lifeline Program benefits, the date on which Lifeline service is begun, the date on which Lifeline Program benefits end, the amount of support sought by the Company and the means through which I qualify for Program benefits. I understand that transmission of this information is required to ensure the proper administration of the Lifeline Program. I also understand that if I refuse to have this information transmitted to the Administrator, I will be denied Program benefits.

C. CUSTOMER /APPLICANT INFORMATION

Applicant's Name (PRINT) _____

Applicant's Date of Birth: ____/____/____ **LAST FOUR DIGITS OF Social Security Number:** _____
 (MM) (DD) (YYYY) **OR Tribal Identifications Number (if no SSN):** _____

Home Phone Number: (____) ____-____-____ Work Phone Number (____) ____-____-____
 (Your contact number during weekdays between 8 a.m. and 5 p.m.)

Applicant's Service (Physical) Address: _____

Applicant's Billing Address (if different): _____

 Signature of benefit recipient

 Date

FOR COMPANY USE ONLY

Customer qualifies under Federal Poverty Guidelines? _____ Received Federal Poverty Guideline Form? _____ Attached? _____

Type of Documentation Reviewed? _____ SNAP Card / Letter _____ MEDICAID Card / Letter _____ SSI _____

Other Documents: _____

NAME OF EMPLOYEE WHO VERIFIED ELIGIBILITY: _____

Year 2013

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Federal Poverty Guideline Certification Form
Page 1 of 1

I certify that all the income actually received by all members of my household is less than or equal to 135% of the federal poverty level, as set forth below. I have provided the documentation verifying the income in the categories checked below to Pinnacle Communications, in support of my application for Lifeline discounted service. I further certify that there are members of my household living with me at the address listed below. I also certify that the Company representative returned my documentation to me. I make these certifications under penalty of perjury, punishable by law.

Print Name of applicant: _____ Phone#: _____

Home Address: _____

Signed: _____ Date: _____

Federal law at 47 C.F.R. §54.400(f) has defined "income"¹ for purposes of eligibility for Lifeline Assistance as all income actually received by all members of the household and includes the following. Please check all the categories of "income" that members of your household currently receive.

<input type="checkbox"/> Salary before deductions for taxes	<input type="checkbox"/> Unemployment compensation
<input type="checkbox"/> Public Assistance benefits	<input type="checkbox"/> Veteran's Benefits
<input type="checkbox"/> Social Security payments	<input type="checkbox"/> Child Support Payments
<input type="checkbox"/> Pensions	<input type="checkbox"/> Worker's Compensation Benefits
<input type="checkbox"/> Inheritances	<input type="checkbox"/> Lottery Winnings
<input type="checkbox"/> Alimony	
<input type="checkbox"/> Gifts	
<input type="checkbox"/> Other _____	

135% of the 2013 federal poverty level guidelines are as follows:

Persons In Household	Annual household income no higher than:
1	\$15,511
2	\$20,938
3	\$26,365
4	\$31,792
5	\$37,219
6	\$42,646
7	\$48,073
8	\$53,500

(For each additional person, add: \$5,427)

For Company Use Only

Name of Employee Who Reviewed Income Documentation: _____

Type of Income Documentation received from applicant: _____

¹ The only exceptions to "income" are student financial aid, military housing and cost-of-living allowances, irregular income from occasional small jobs such as baby-sitting or lawn mowing, and the like.

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LAVACA TELEPHONE COMPANY, INC.
VOICE SERVICES RATE COMPARABILITY
(USAC DOCUMENT - 431704AR1010)

Voice Services Rate Comparability

Lavaca Telephone Company, Inc. d.b.a. Pinnacle Communications - Oklahoma

In compliance with the 54.313 Rules, Lavaca Telephone Company, Inc. d.b.a. Pinnacle Communications – Oklahoma must certify that its current rate for fixed voice services is no more than two standard deviations above the national average urban rate for voice service. According to the 2014 Urban Rate Survey conducted by the FCC Wireline Competition Bureau, the weighted average unlimited local rate is \$20.46. ¹ USAC Guidelines (Page 56) provide that two standard deviations above the \$20.46 would be \$46.96. ²

The rates shown on the Voice Pricing Form (0700) are below \$46.96. Consequently, Lavaca Telephone Company, Inc. d.b.a. Pinnacle Communications – Oklahoma meets the above mentioned requirement.

¹ <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>

² www.usac.org/_res/documents/hc/pdf/forms/FCC-Form-481-Online-User-Guide.pdf

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LAVACA TELEPHONE COMPANY, INC.

LIFELINE PLAN

(USAC DOCUMENT - 431704OK1210.PDF)

Lavaca Telephone Company dba Pinnacle Communications

Lifeline Plan – Oklahoma

Pinnacle Communications offers Lifeline Telephone Service to its customers. The eligibility criteria for Lifeline service is indicated on the attachment. Upon confirmation of eligibility, appropriate lifeline credits are provided to the customer. Oklahoma also qualifies for an additional credit that may not exceed \$25.00 for Tribal Lands. The rate for basic local exchange service for Pinnacle customers in Oklahoma, before Lifeline credits, is \$14.15. The FCC Rules specify that the basic local exchange service charges net of lifeline credits can't be lower than \$1.00. Since, the total lifeline credits available in Oklahoma exceed the rate charged for basic local exchange service, the lifeline eligible customer pays \$1.00 for basic local exchange service. Pinnacle customers receive unlimited local calling as part of the Basic Local Exchange Service Plan.

No other credits are applied to rates for remaining services, including toll service (if the customer doesn't have toll limitation service). Lavaca's toll rate plans and prices are attached.

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Install Date: _____ Link-Up: Yes No Account Number: _____ Telephone Number: _____
Last Name: _____
DO NOT WRITE IN THIS AREA - FOR OFFICE USE ONLY

PINNACLE COMMUNICATIONS
LIFELINE/LINK UP AMERICA ON TRIBAL LANDS PROGRAM
AUTHORIZATION AND SELF CERTIFICATION FORM

You are required to complete and sign this certification form in order to enroll you in Pinnacle Communications "Enhanced" Lifeline and/or "Expanded" Link Up programs as approved by the Federal Communications Commission (FCC). This authorization is only for the purpose of verifying your participation in these programs and will not be used for any other purpose. **All shaded areas must be completed!!!**

1. I hereby certify that I participate in at least one of the following programs ("✓" ALL THAT APPLY):

____ Supplemental Nutrition Assistance Program (SNAP a/k/a Food Stamps)
____ Temporary Assistance for Needy Families (TANF)
____ Supplemental Security Income (SSI)
____ Medical Assistance (Medicaid/Sooner Care)
____ Vocational Rehabilitation (including aid to the hearing impaired)
____ Oklahoma Sales Tax Relief
____ Food Distribution Program on Indian Reservations ("FDPIR")
____ Federal Public Housing
____ Low Income Energy Assistance Program
____ Bureau of Indian Affairs General Assistance
____ Temporary Assistance for Needy Families (TANF) Tribally-administered block grant programs
____ Head Start Programs (only applicant or customer who satisfy the income qualifying eligibility provision); or
____ National School Lunch Program (only applicant or customer who satisfy the income standard of the program for **free meals**).

2. I also certify that the telephone service location to which this certification applies is my primary residential service address located at _____, and to the best of my knowledge this primary residential service address is located
(YOUR PHYSICAL ADDRESS)
on former tribal land/reservation (as defined in title 25- Code of Federal Regulation, section 20.1, paragraph (v)).

3. If in the future, I no longer participate in at least one of the programs listed in item 1 above, or conditions in item 2 above change, I will promptly notify Pinnacle Communications.

4. I also certify that: (Place an 'X' beside each statement that applies to you)

____ a. The telephone service which I am requesting receipt of Enhanced Lifeline and/or Enhanced LinkUp programs for is listed in my name.
____ b. I am not listed as a dependent on another person's tax return.
____ c. The above service address is my primary residence, not a second home or business, and that I am not receiving Lifeline/Linkup credits on any other telephone number.

5. I authorize Pinnacle Communications or its duly appointed representative to access any records required to verify these statements in order to confirm my continued participation in the above program. I authorize representatives of the above programs to discuss with and/or provide copies to Pinnacle Communications, if requested by the company, to verify my participation in the above program and my eligibility for "Enhanced" Lifeline or "Expanded" Link Up benefits.

6. I affirm, under penalty of perjury, that the foregoing representations are true.

Applicant's Name (PRINT) _____

Social Security Number: _____ - _____ - _____ Home Phone Number: (____) _____ - _____

Applicant's **Billing** Address, if different than identified in paragraph 2 above _____

Work Phone Number (____) _____ - _____
(Your contact number during weekdays between 8 a.m. and 5 p.m.)

Signature of benefit recipient

Date

TELEPHONE NO.: 963-

* 204 E Main, Panama, OK 74951 * Ph: (918) 963-2804 * www.pinncom.com

RESIDENTIAL SERVICE APPLICATION

BILLING NAME _____
 BILLING ADDRESS _____
 CITY _____ ST _____ ZIP _____
 SERVICE NAME _____
 SERVICE ADDRESS _____
 CITY _____ ST _____ ZIP _____

APPLICANT INFORMATION: (please print)
 Name _____
 SS# _____
 DL# _____
 DOB _____ (m / d / y)
 ALTERNATE PHONE # _____

APPLICANT SIGNATURE _____
 CO-APPLICANT INFORMATION: (please print)
 Name _____
 SS# _____
 DL# _____
 DOB _____ (m / d / y)
 ALTERNATE PHONE # _____
 CO - APPLICANT SIGNATURE _____

Other Adults Living in Residence:
 Name _____
 SSN# _____
 Name _____
 SSN# _____
 ADDRESS _____
 CITY _____ ST _____ ZIP _____
 PHONE # () _____
 SERVICE DISCONNECT DATE ____ / ____ / ____
 RACIA/ETHNIC GROUP (Fed Gov't Purposes ONLY)
 WHITE _____ BLACK _____ HISPANIC _____ ASIAN _____
 AMERICAN INDIAN _____
 HANDICAPPED _____ ELDERLY _____
 OTHER MEDICAL CONDITIONS _____

NOTICE
 Any unpaid balance due for more than 120 days may be turned over to a collection agency. If such occurs, the costs incurred by Pinnacle Communications in collection efforts will be assessed to the customer. Such cost could be in an amount of up to 50% of the final amount due.
 * I have read and understand the above notice.
 SIGNATURE _____
 DATE _____

PINNACLE Communications

ARE YOU CURRENTLY ENROLLED IN ANY OF THE FOLLOWING GOV'T ASSISTANCE PROGRAMS?

☐ FOOD STAMPS
☐ NATIONAL SCHOOL LUNCH
☐ MEDICAID
☐ TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)
☐ SUPPLEMENTAL SECURITY INCOME (SSI)

IF YOU ANSWERED YES TO ANY OF THE ABOVE LISTED GOV'T ASSISTANCE PROGRAMS, PLEASE ASK FOR A LIFELINE/LINK-UP CERTIFICATION INSTRUCTION FORM.

If your household income is equal to or lower than the amounts listed below, corresponding to your household, you are eligible for a telephone discount.

Household Size	Yearly Income	Monthly Income	Weekly Income
1	\$14,702	\$1,226	\$283
2	\$19,859	\$1,655	\$382
3	\$25,016	\$2,085	\$482
4	\$30,173	\$2,515	\$581
5	\$35,330	\$2,945	\$680
6	\$40,487	\$3,374	\$779
7	\$45,644	\$3,804	\$878
8	\$50,801	\$4,233	\$977

<p>LISTED _____ UNLISTED _____</p> <p>CLASS: RES _____ BUS _____</p> <p>DIRECTORY LIST _____</p> <p>EXTRA LISTING _____</p> <p><input type="radio"/> MAIL</p> <p><input type="radio"/> BANK DRAFT * (Form Required)</p> <p><input type="radio"/> EMAIL * (Form Required)</p>	<p><u>SERVICE INSTRUCTIONS</u></p> <p>IWM _____ 900 BLK _____ COLLECT BLK _____</p> <p>3rd BLK _____ INTL BLK _____ CWT _____ CFW _____</p> <p>C8 _____ 3WC _____ RAG _____ CND/CNAM _____</p> <p>TOLL RESTRICTION _____</p> <p>LONG DISTANCE CARRIER _____</p> <p>CIC Code: _____</p> <p>PIC FREEZE _____</p> <p>PACKAGE _____</p> <p>CALLING PLAN _____</p> <p>EQUIPMENT _____</p> <p>AVAILABILITY OF SERVICE _____</p> <p>NO. OF INSTALLMENTS _____</p> <p>WIRING INSTRUCTIONS _____</p> <p>_____</p> <p><u>SPECIAL INSTRUCTIONS</u></p> <p>_____</p> <p>_____</p>	<p>CONTRACT FOR GUARANTEE OF PAYMENT</p> <p>(I/We), _____ the undersigned, hereby contract, covenant and agree to guarantee payment in full of any and all charges for telephone services and equipment rendered or provided to _____, applicant. In consideration, Lavaca Phone Company, Inc. DBA Pinnacle Communications, such unpaid or past due balance may be added to (my/our) telephone bill, for which (I/we) guarantee full payment.</p> <p>SIGNED THIS _____ DAY OF _____, 20 _____</p> <p>_____ GUARANTOR _____ GUARANTOR</p>
<p><u>INTERNET SERVICE:</u> Y / N</p> <p>USERNAME _____</p> <p>PASSWORD _____</p> <p>INTERNET SPEED _____</p> <p>ETHERNET CABLE _____</p> <p>INSTALLATION CHARGE _____</p> <p>CONTRACT _____</p> <p>WIRING CHARGE _____</p>	<p>Please circle one of the following:</p> <p>OPT IN - (Market)</p> <p>OPT OUT - (Don't Market)</p> <p><i>Note:</i> You may continue to receive bill inserts for promotions and information on the services you participate in.</p>	
<p>DEPOSIT REQUIRED _____</p> <p>OLD BILL? _____ NO _____ YES</p> <p>If you answered YES, please indicate the dollar amount owed / paid \$ _____</p> <p>_____ Payment Agreement * (Form Required)</p>		
<p>CHECKLIST:</p> <p>_____ APPLICATION _____ CPNI _____ OPT IN/OUT _____ COPY OF I.D. _____ BANK DRAFT _____ EBILL _____ CONTRACT _____ LIFELINE</p>		

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NATIONWIDE CALLING PLANS

(excluding Alaska & Hawaii)

500 Minutes - \$19.95

800 Minutes - \$29.95

1200 Minutes - \$39.95



Calling plans not available in all service areas.
Call your local office for more details. 1-877-817-6744

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LAVACA TELEPHONE COMPANY, INC.
CONSOLIDATED FINANCIAL STATEMENTS
(USAC DOCUMENT - 431704OK3026.PDF)

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LAVACA TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2013 and 2012

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

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Independent Accountant's Review Report

The Board of Directors
Lavaca Telephone Company
Lavaca, Arkansas

We have reviewed the accompanying consolidated balance sheets of Lavaca Telephone Company and Subsidiary (an S Corporation) as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying pages 15 through 19 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic consolidated financial statements, and we did not become aware of any material modifications that should be made to such information.

Tulsa, Oklahoma
May 19, 2014

Sartain Fischbein + Co.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY**CONSOLIDATED BALANCE SHEETS**

<i>December 31,</i>	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$	
Accounts receivable:		
Due from customers, less allowance for doubtful accounts of \$4,880 in 2013 and 2012		
Due from long distance carriers and pools		
Materials and supplies		
Total Current Assets		
Noncurrent Assets:		
Investments - other		
Investment securities - available for sale		
Cash surrender value - officer life insurance		
Total Noncurrent Assets		
Property, Plant and Equipment, at cost		
Telephone plant in service		
Less accumulated depreciation		
Net Property, Plant and Equipment		
	\$	\$

See independent accountant's review report and notes to consolidated financial statements.

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	2013	2012
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ [REDACTED]	\$ [REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Other accrued liabilities	[REDACTED]	[REDACTED]
Total Current Liabilities	[REDACTED]	[REDACTED]
Long Term Debt	[REDACTED]	[REDACTED]
Other Noncurrent Liabilities	[REDACTED]	[REDACTED]
Total Liabilities	[REDACTED]	[REDACTED]
Stockholders' Equity:		
Common stock, \$100 par value: authorized, issued and outstanding 545 shares	[REDACTED]	[REDACTED]
Retained earnings	[REDACTED]	[REDACTED]
Accumulated other comprehensive income - unrealized gain on available- for-sale investment securities	[REDACTED]	[REDACTED]
Total Stockholders' Equity	[REDACTED]	[REDACTED]
	\$ [REDACTED]	\$ [REDACTED]

LAVACA TELEPHONE COMPANY AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF OPERATIONS**

<i>Years Ended December 31,</i>	2013	2012
Operating Revenues:		
Regulated:		
Local service	\$	\$
Access and long-distance		
Miscellaneous		
Nonregulated:		
Internet		
Long distance		
Video		
Other		
Total Operating Revenues		
Operating Expenses:		
Regulated:		
Plant specific		
Plant non-specific:		
Depreciation and amortization		
Network and other		
Customer operations		
Corporate operations		
Operating taxes		
Nonregulated:		
Internet		
Long distance		
Video		
Other		
Total Operating Expenses		
Net Operating Income		
Interest and Dividend Income		
Equity in Net Operations of Investments		
Interest Expense		
Net Income	\$	\$

See independent accountant's review report and notes to consolidated financial statements.

3

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LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>Years Ended December 31,</i>	2013	2012
---------------------------------	-------------	-------------

Net Income

\$

Other Comprehensive Income:

Unrealized holding gains on securities

Total Other Comprehensive Income

Comprehensive Income

\$

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2013 and 2012

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2012	\$			
Net Income				
Other comprehensive income				
Balance, December 31, 2012				
Net income				
Dividends paid				
Other comprehensive income				
Balance, December 31, 2013	\$			

See independent accountant's review report and notes to consolidated financial statements.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,	2013	2012
--------------------------	------	------

Cash Flows From Operating Activities:

Net income	\$	\$
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Equity in net loss of investments - other		
(Increase) decrease in:		
Accounts receivable		
Prepaid expenses		
Materials and supplies		
Cash surrender value - officers' life insurance		
Other		
Increase (decrease) in:		
Accounts payable and accrued liabilities		
Other noncurrent liabilities		

Net Cash Provided by Operating Activities**Cash Flows From Investing Activities:**

Purchase of available-for-sale investment securities		
Additions to investments - other		
Expansion and replacement of property, plant and equipment		
Proceeds from sale of property, plant and equipment		

Net Cash Used in Investing Activities**Cash Flows From Financing Activities:**

Net increase in customer deposits		
Principal payments on long term debt		
Dividends paid		

Net Cash Used in Financing Activities

See independent accountant's review report and notes to consolidated financial statements.

REDACTED – FOR PUBLIC INSPECTION

	2013	2012
Net Increase (Decrease) in Cash and Cash Equivalents	\$ [REDACTED]	\$ [REDACTED]
Cash and Cash Equivalents, beginning of year	[REDACTED]	[REDACTED]
Cash and Cash Equivalents, end of year	\$ [REDACTED]	\$ [REDACTED]
OTHER DISCLOSURES		
Interest paid	\$ [REDACTED]	\$ [REDACTED]

**LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Lavaca Telephone Company and its wholly-owned subsidiary, Pinnacle Communications (collectively referred to as "the Company"). Intercompany transactions and balances have been eliminated in consolidation.

Description of Business: The Company operates a general telephone business in Lavaca, Arkansas with exchanges in Arkansas and Oklahoma. The Company also provides internet, long distance and video services.

Basis of accounting: The Company maintains its accounts in accordance with Part 32 of the Uniform System of Accounts prescribed by the Federal Communications Commission ("FCC"). The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which are consistent in all material respects with the accounting prescribed by the FCC.

Cash and Cash Equivalents: Cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

Interest-bearing cash balances at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$[REDACTED] for each financial institution. As of December 31, 2013, the Company had approximately \$[REDACTED] in uninsured cash balances at FDIC institutions.

Accounts Receivable and Credit Policies: Accounts receivable consists of amounts due from subscribers, including local service, toll, taxes and applicable fees. Accounts receivable also include amounts due from long distance carriers, access service pools, and cable television, internet, and cellular customers. Accounts receivable are uncollateralized (however, certain customers are required to have a deposit) and due monthly. Accounts receivable are stated at the amount billed. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected.

Materials and Supplies: Materials and supplies consist of regulated inventory used in the construction of telephone plant in service and nonregulated inventory held for resale to customers. All inventory is stated at the lower of cost, as determined using the average cost method, or market.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

Investments in Nonregulated Operations: Depreciation on property and equipment used in nonregulated operations is provided by the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance are charged to expense as incurred, whereas major improvements are capitalized. Depreciation expense charged to nonregulated operations was approximately \$ [REDACTED] 2013 and 2012.

Investment Securities: Investment securities consist of investments in equity securities. Investment securities are classified as available-for-sale and are carried at fair value. Unrealized gains and losses on securities available-for-sale are recognized, net of income taxes, as a direct increase or decrease in stockholders' equity.

Fair Value Measurement: Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset or paid to transfer a liability ("exit price") in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows: Level 1, based on quoted prices for identical assets or liabilities in active markets that the Company has the ability to process, Level 2 based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted price that are observable for the asset or liability, and Level 3, based on inputs that are unobservable and significant to the fair value measurement.

Property, Plant, and Equipment: Property, plant and equipment is carried at historical cost. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets. Depreciation expense on property, plant and equipment was approximately \$ [REDACTED] in 2013 and [REDACTED] in 2012.

Recognition of Local Service Revenue: Local service revenue includes charges for monthly local telephone service and settlements from the Federal Universal Service Fund. Revenues are recognized in the month service is provided. Approximately \$ [REDACTED] or [REDACTED] operating revenues in 2013 and \$ [REDACTED] or [REDACTED] of operating revenues in 2012, derive from the Federal Universal Service Fund.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

Recognition of Access Service Revenue: Access service revenue includes interstate customer end user charges, interstate and intrastate charges assessed to long distance carriers for using the Company's facilities for their long distance communications, and interstate settlements under jurisdictional reporting requirements with the National Exchange Carriers Association. Access service revenue is recognized as earned.

Recognition of Miscellaneous Revenue: Miscellaneous revenue consists primarily of fees received from long distance carriers for billing and collection services performed by the Company and directory revenue, and is recognized as earned.

Income Taxes: The Company's stockholders have elected under Subchapter S of the Internal Revenue Code to report individually the taxable income of the Company. Accordingly, these financial statements contain no provision for income taxes.

FASB ASC Topic 740, *Income Taxes*, requires an entity to recognize a liability for tax positions when there is a 50% or greater likelihood that the position will not be sustained upon examination. The Company is liable for taxes if its initial election as an S corporation was invalid or if it ceases to meet the requirements of an S corporation. The Company believes that its initial election was valid and that it continues to meet the requirements of an S corporation, and that is more likely than not that this position would be sustained upon examination. As such, there is no liability recorded for uncertain tax positions as of December 31, 2013 and 2012.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in process. Management believes it is no longer subject to income tax examinations for years prior to 2010.

Subsequent Events: The Company evaluated subsequent events through May 19, 2014, the date these financial statements were available to be issued.

2. INVESTMENTS - OTHER

Investments – other consist of the following:

Internet equipment, net of accumulated depreciation of

██

Investments deferred to fund compensation agreements
(See Note 6)

Other

	2013	2012
Internet equipment, net of accumulated depreciation of		
██	\$	
Investments deferred to fund compensation agreements (See Note 6)		
Other		
	\$	

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

Other investments consist of investments in closely-held entities, accounted for using the equity method, and in which the recognition of losses exceed the original cost of the investment. In 2013, and 2012, the Company recognized losses from these investments of \$ [REDACTED] respectively.

3. INVESTMENT SECURITIES

Investment securities, which are all considered as available-for-sale at December 31, are:

		<u>2013</u>		
	<u>Amortized</u>	<u>Gross</u>	<u>Gross</u>	<u>Fair</u>
	<u>Cost</u>	<u>Unrealized</u>	<u>Unrealized</u>	<u>Value</u>
		<u>Gains</u>	<u>Losses</u>	
Equity Securities –	[REDACTED]			
Mutual Funds				

		<u>2012</u>		
	<u>Amortized</u>	<u>Gross</u>	<u>Gross</u>	<u>Fair</u>
	<u>Cost</u>	<u>Unrealized</u>	<u>Unrealized</u>	<u>Value</u>
		<u>Gains</u>	<u>Losses</u>	
Equity Securities –	[REDACTED]			
Mutual Funds				

4. PROPERTY, PLANT AND EQUIPMENT

Following is a summary of property, plant and equipment at December 31:

	<u>2013</u>	<u>2012</u>
Land	[REDACTED]	
Buildings and improvements		
Furniture and equipment		
Central office switching		
Central office transmission		
Cable and wire facilities		
Less accumulated depreciation	[REDACTED]	
Net property and equipment		

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

5. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2013</u>	<u>2012</u>
<p>█████% note payable to Benefit Bank, due in monthly installments of approximately \$█████ including interest, with a final balloon payment due September 1, 2015. Real estate of the Company are pledged as collateral.</p>	\$	
Less current maturities	\$	
Maturities of long-term debt are as follows:		
2014	\$	
2015	\$	

6. OTHER NONCURRENT LIABILITIES

In 2012, the Company entered into deferred compensation agreements with certain of its officers that provide for payments upon their retirement. Other noncurrent liabilities consist of the obligations under these agreements.

The Company has funded these deferred compensation obligations with certain investments totaling approximately \$█████ at December 31, 2013 and \$█████ at December 31, 2012. (See Note 2)

7. FAIR VALUE MEASUREMENTS

ASC Topic 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value is based on the following valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 as compared to those used at December 31, 2012.

Mutual funds: Valued at the net asset value of shares held by the Company at year end. The net asset value is equivalent to the closing price reported on the active market on which the individual securities are traded.

Investments to fund deferred compensation agreements: Valued at the quoted market prices of the underlying investments included in the master trust.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair measurement at the reporting date.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

The following table sets forth by level, within the fair value hierarchy, the Company's assets recorded at fair value on a recurring basis as of December 31, 2013 and 2012:

Investments at Fair Value as of December 31, 2013

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$			
Investments to fund deferred compensation agreements				
	\$			

Investments at Fair Value as of December 31, 2012

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$			
Investments to fund deferred compensation agreements				
	\$			

8. RISKS AND UNCERTAINTIES

The Company services various local telephone exchanges in Arkansas and Oklahoma. The Company is subject to rate regulation by the Federal Communications Commission and the Arkansas and Oklahoma Corporation Commissions. The telecommunications industry is moving into a competitive environment with new competitors and required restructuring of revenue from access charges and support mechanisms.

The subject is controversial and difficult to resolve. Therefore, at this time, the impact of such changes both from Federal and State Commissions cannot be determined.

The Company is also subject to audits from federal and state oversight organizations because of its participation in certain high cost funding mechanisms. At this time, the Company does not expect any such audits to have a material effect on its financial statements.

**LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

In November 2011, the Federal Communications Commission ("FCC") released the "USF/ICC Transformation Order" (the "Order") and "Further Notice of Proposed Rulemaking" ("FNPRM"), with the stated objective of reforming and modernizing the universal service and intercarrier compensation systems.

To date, numerous petitions for reconsideration of certain aspects of the Order and FNPRM have been filed by certain affected companies and telecommunications industry organizations. In addition, in February 2012, the FCC issued a further order to revise and clarify certain rules of the Order, and to modify certain requirements of the Order. This further order also stated that the above mentioned petitions for reconsideration are pending before the FCC and will be addressed by the FCC.

The final resolution of the above-mentioned petitions for reconsideration and their effect on the ultimate provisions of the Order is unknown at this time. As a result, the effect of the Order on the Company's intercarrier revenues and universal service revenues is not known at this time.

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SUPPLEMENTARY INFORMATION

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LAVACA TELEPHONE COMPANY AND SUBSIDIARY

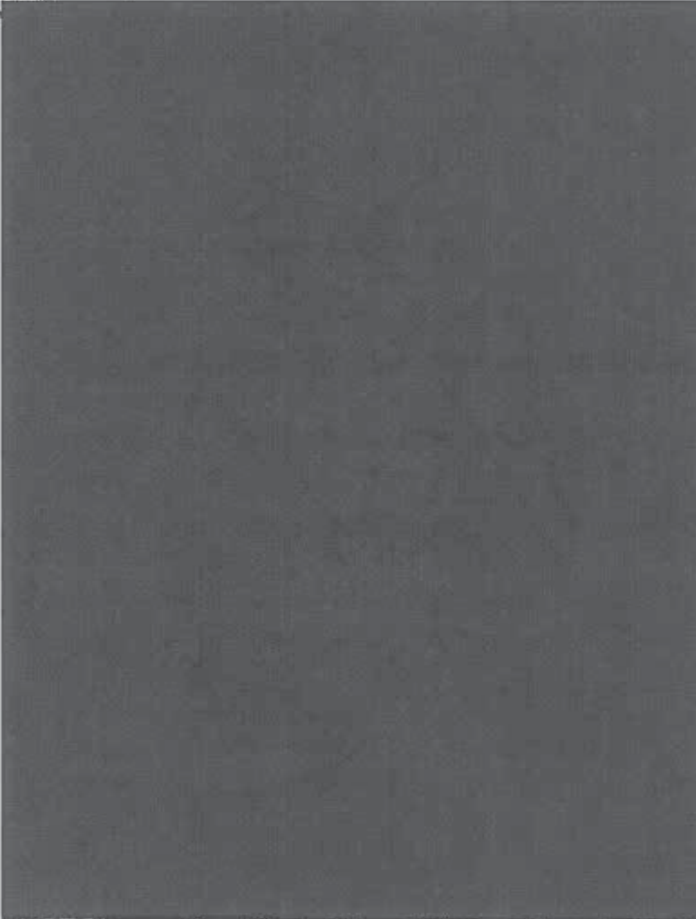
CONSOLIDATING BALANCE SHEET

December 31, 2013

	Lavaca	Pinnacle	El Paso	Consoli-
	Telephone	Telephone	Telephone	ated
ASSETS				
Current Assets:				
Cash and cash equivalents	\$			
Accounts Receivable:				
Due from customers, net				
Due from affiliate				
Due from long distance carriers and pools				
Materials and supplies				
Total Current Assets				
Noncurrent Assets:				
Investments - other				
Investment securities				
Cash surrender value of officer life insurance				
Total Noncurrent Assets				
Property, Plant and Equipment, at cost				
Telephone plant in service				
Less accumulated depreciation				
Net Property, Plant and Equipment				
	\$			

See independent accountant's review report.

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	Lavaca Telephone Co.	Pinnacle Telecom LLC	Elimina- tions	Consoli- dated Balance
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Current maturities of long-term debt				
Accounts payable				
Accounts payable - affiliate				
Customer deposits				
Other accrued liabilities				
Total Current Liabilities				
Long Term Debt				
Other Noncurrent Liabilities				
Total Liabilities				
Stockholders' Equity:				
Common stock				
Retained earnings				
Accumulated other comprehensive income				

LAVACA TELEPHONE COMPANY AND SUBSIDIARY**CONSOLIDATING STATEMENT OF OPERATIONS***Year Ended December 31, 2013*

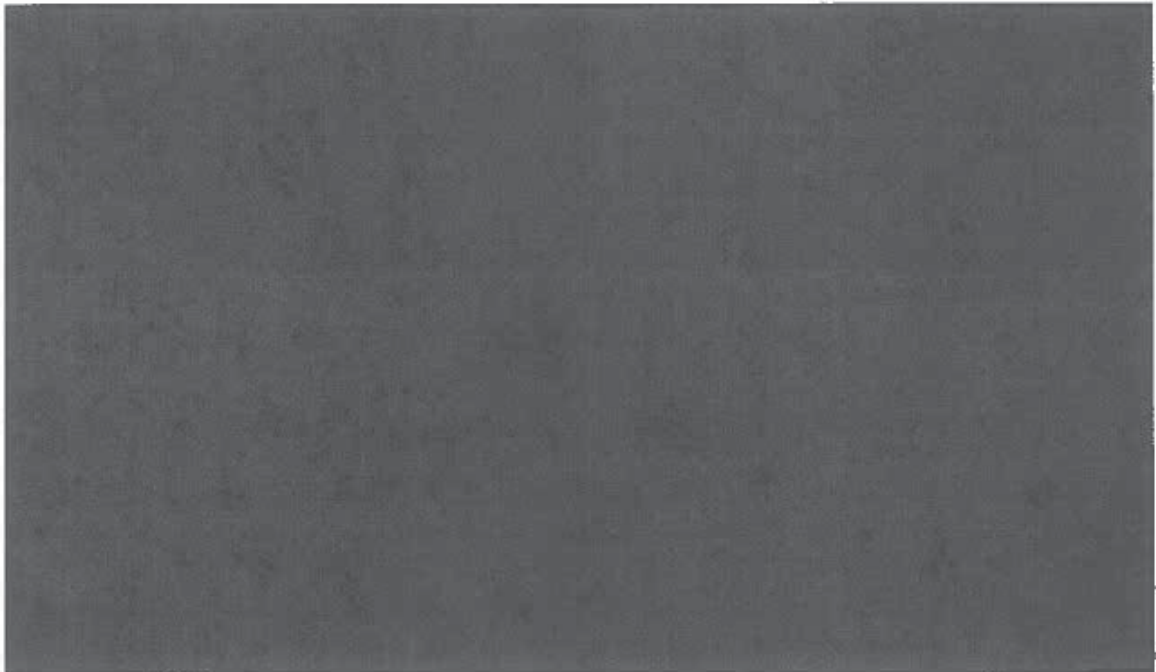
	Lavaca Telephone Co.	Pinnacle Telecom LLC	Elimina- tions	Consoli- dated Balance
Operating Revenues:				
Regulated:				
Local service				
Access and long-distance				
Miscellaneous				
Nonregulated:				
Internet				
Long distance				
Video				
Other				
Total Operating Revenues				
Operating Expenses:				
Regulated:				
Plant specific				
Plant non-specific:				
Depreciation and amortization				
Network and other				
Customer operations				
Corporate operations				
Operating taxes				
Nonregulated:				
Internet				
Long distance				
Video				
Other				
Total Operating Expenses				
Net Operating Income				
Interest and Dividend Income				
Equity in Net Operations of Investments				
Interest Expense				
Net Income				

LAVACA TELEPHONE COMPANY AND SUBSIDIARY**SCHEDULE OF TELEPHONE PLANT IN SERVICE - ARKANSAS***December 31, 2013***Assets**

	Balance December 31, 2012	Additions	Disposals/ Reclass- ifications	Balance December 31, 2013
Land	\$			
Motor Vehicles				
Other Work Equipment				
Buildings				
Building - Remote				
Building - Signage				
Furniture				
Office Support Equipment				
General Purpose Computers				
COE - Digital Electronic Switch				
COE Remote - Generator				
COE - Voice Mail				
COE - ADSL Multiplex				
Circuit Equip. - Local CXR				
Poles				
Buried Fiber				
Aerial Wire				
	\$			

Accumulated Depreciation

<u>Annual Depreciation Rate</u>	<u>Balance December 31, 2012</u>	<u>Additions</u>	<u>Disposals/ Reclass- ifications</u>	<u>Balance December 31, 2013</u>
---	--	------------------	---	--



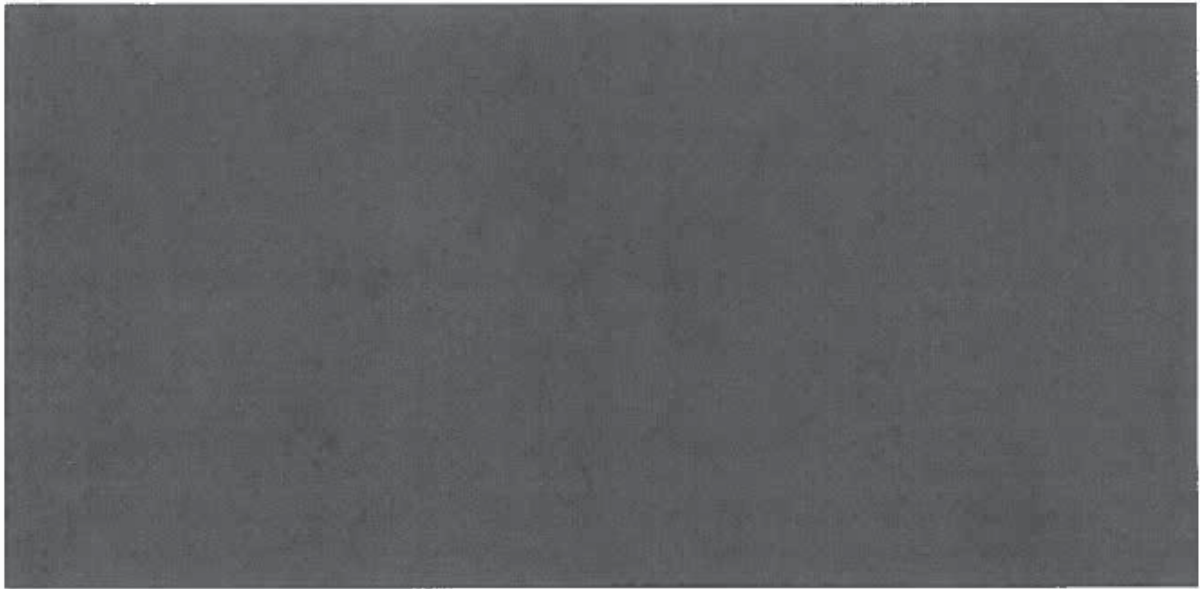
LAVACA TELEPHONE COMPANY AND SUBSIDIARY**SCHEDULE OF TELEPHONE PLANT IN SERVICE - OKLAHOMA**December 31, 2013**Assets**

	Balance December 31, 2012	Additions	Disposals/ Reclass- ifications	Balance December 31, 2013
Land				
Motor Vehicles				
Other Work Equipment				
Buildings				
Furniture				
Office Support Equipment				
General Purpose Computers				
COE - ADSL Multiplex				
Circuit Equip. - Local CXR				
Poles				
Buried Cable				
Buried Cable - Right of Way				
Buried Cable - Drops				
Buried Fiber				
Aerial Wire				

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Accumulated Depreciation

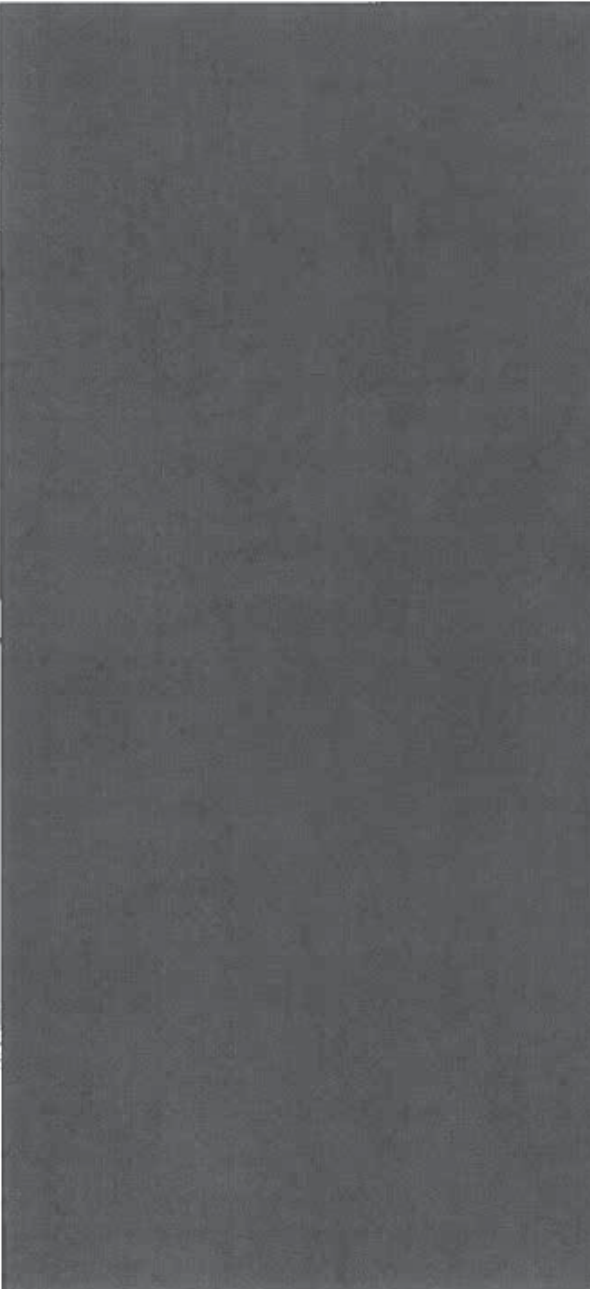
<u>Annual Depreciation Rate</u>	<u>Balance December 31, 2012</u>	<u>Additions</u>	<u>Disposals/ Reclass- ifications</u>	<u>Balance December 31, 2013</u>
---	--	------------------	---	--



LAVACA TELEPHONE COMPANY AND SUBSIDIARY

SCHEDULE OF OPERATIONS BY STATE

Year Ended December 31, 2013

	<u>Arkansas</u>	<u>Oklahoma</u>	<u>Total</u>
Operating Revenues:			
Local service			
Access and long-distance			
Miscellaneous			
Total Operating Revenues			
Operating Expenses:			
Plant specific			
Plant non-specific:			
Depreciation and amortization			
Network and other			
Customer operations			
Corporate operations			
Total Operating Expenses			
Net Operating Revenue			
Operating Taxes:			
Other operating taxes			
Total Operating Taxes			
Net Operating Income			
Interest and Dividend Income			
Interest Expense			
Net Regulated Income			
Nonregulated Income			
Net Income			

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See independent accountant's review report.